

KENNY REHABILITATION  
INTER-DEPARTMENT MEMORANDUM

SEP 28 1965

*Xerox Broady  
Walsh  
This copy back  
to me*

TO : Dr. Poor

FROM: Bill Copeland and Iver Iversen

DATE: April 12, 1965

SUBJECT: The Mentally Retarded Children Project

The Savings Due to Preventing Pseudo-Deficient Admissions to  
State Institutions For the Mentally Retarded

Currently, about 700 children per year are admitted to three of the four Minnesota State institutions for the retarded. The expected length of stay is apparently about eight years. The cost of maintaining a patient in one of these "low-cost" schools (Brainerd, Cambridge, and Faribault) is about \$1,700 per year, with an expected total cost for an entire patient stay in the \$10,000 to \$14,000 range.

Prevention of an unnecessary admission to one of these schools will not save that amount, the actual incremental cost of adding one patient, at present occupancy levels, being less than the average cost. However, a saving of fifty percent or more of the expected cost - \$5,000 to \$10,000 - is not an unreasonable projection for each child not sent to a state institution.\* Suppose that only ten percent of the children admitted to State Institutions each year were easily-discoverable "pseudo" deficient rather than "true" deficient.\*\* If, through a service accenting evaluation and treatment, ten percent of all admissions could be diverted to other resources for help - in their own communities or in the nearest metropolitan community the state system would be saving a minimum of \$350,000 per year (in expected costs for seventy patients at \$5,000 per patient), if such a service were a permanent one. The saving could be eventually as much as \$490,000 a year (70 patients at \$7,000), or even as high as \$840,000 a year (if this saving were also applicable to ten percent of the patients admitted to the fourth school at Owatonna)

Defining the Pseudo-Deficient Child

There is, presumably, a wide range of native intelligence in children referred to state welfare institutions. At one extreme would be found the "true" deficient child (an appropriate referral); with no amount of training, medical help, environmental tailoring, could this type of child be helped enough so that he could be maintained in his community at a reasonable cost. At the other extreme would be found the "pseudo" deficient child (an inappropriate referral); such a

\* In the end, of course, this is not really a "saving" but only a shifting of cost from state mental retardation institutions to some other facility within the child's social community -- but it is considered a "desirable" shift.)

\*\*(This is a conservative estimate since the four-county project at Fergus Falls estimates that, outstate, about one-half of the children admitted to state institutions are "pseudo" deficient.)

child may have social, psychological, medical, or other problems -- but not mental retardation -- and referral to some other agency would be indicated. Children between the two extremes, the "border-line" deficient referrals, constitute the group for which criterion problems become complex. For this group of children, decisions to institutionalize or not to institutionalize will depend not only upon intelligence but a host of psychological, social, environmental, and other factors. For example, it may be that a child in this group would, given medical help and special social development training, be able to live in his own home instead of going to a state institution, particularly if there are others in the home who can provide any special care he might need. The same child, in the absence of a suitable home environment, might be an appropriate admission to a state institution.

Thus, the referral population (and presumably the institutionalised population) contains four types of children:

1. The "true" deficient (an appropriate referral)
2. The "pseudo" deficient (an inappropriate referral)
3. The "borderline" deficient (an appropriate referral)
4. The "borderline" deficient (an inappropriate referral)

#### Designing a Low-Cost Screening, Treatment and Referral Service

If a service were designed to provide an evaluation/treatment procedure with sequential decision points (a one-day screening; then variable-time -- depending on the complexity of making the "pseudo"/"true" decision -- inpatient and outpatient evaluations; then treatment or referral to other community resources) its cost should fall far below the expected savings to the state welfare system. Therefore, it would seem that such a project would be a natural Joint effort with the state welfare system. The actual decision path would be something like the following:

- I. Prospective entries to state mental retardation institutions would receive a one-day, concentrated outpatient evaluation, as the basis for the following: decision paths.
  - a. Return for an extended inpatient or outpatient evaluation. The child is "border-line" deficient.
  - b. Accept child's total deficiency and poor prognosis -- recommend institutionalization. The child is a "true" deficient. Parents enter parent education group.
  - c. Refer child for inpatient or outpatient services or refer child elsewhere. The child is an easily-discoverable "pseudo" deficient.
- II. For the "border-line" deficient child returning for inpatient or outpatient evaluation, additional observation is obtained to form a firm basis for the following decision paths:
  - a. The child can be considered a "true" deficient, with small probability of improvement. Institutionalization recommended.

- b. The child can " be considered a more-difficult-to-discover "pseudo" deficient and can be helped.

Decisions I.b. and II.a. will lead to parental education (for acceptance of the problem), while decisions I.c. and II. b. will lead to some combination of the following services:

- a. Parent education.
- b. Child education.
- c. Psychotherapy.
- d. Referral to psychiatric or other intensive therapy.
- e. Other medical or paramedical aids (glasses, hearing, speech therapy, etc.)
- f. Cultural development.
- g. Etc.

#### The Associated Research Problems

The most important research aspect of the project would seem to be the matter of the criterion (or Bet of criteria) for admission to a state mental retardation institution, and the way it is applied. This aspect of the problem as it applies to unscreened new admissions should be investigated. Research aspects of the project would center around the following problems:

- a. Establishing criteria for distinguishing the "true-deficient" child. from the "pseudo-deficient" child. That is, what kinds of children tend to have false (low) estimates made of their intelligence; and, for children of equal intelligence, what are the psychological, social and cultural factors - and the measures of these which distinguish the appropriate state-institutional referral from the inappropriate one.
- b. Estimating the proportion of "pseudo-deficient" children in:
  - 1. The referral population for institutional care.
  - 2. The currently institutionalised population.
- c. Developing low-cost/high-pay-off methods for screening the "pseudo-deficient" child out of:
  - 1. The referral population.
  - 2. The currently institutionalized population.

We hope these thoughts will be of some value to you in modifying the project proposal you are developing.

Copy to Dr. Ellwood